

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3632 - SB 3467

February 5, 2010

SUMMARY OF BILL: Requires electrical, mechanical, or HVAC contractors who provide sales, monitoring, installation, or maintenance of alarm systems that derive less than 50 percent of their gross revenues from these services to be licensed with the Department of Commerce and Insurance. Exempts mechanical or HVAC contractors who install duct detectors on HVAC systems from the requirements of the Alarm Contractors Licensing Act of 1991.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$5,000/One-Time/Alarm Systems Contractors Board
\$70,000/Recurring/Alarm Systems Contractors Board**
**Increase State Expenditures –
\$5,000/One-Time/Alarm Systems Contractors Board
\$70,000/Recurring/Alarm Systems Contractors Board**

Assumptions:

- According to the Department of Commerce and Insurance, an additional 100 electrical contractors will apply for licensure as an Alarm Contractor and Qualifying Agent which will increase revenue by \$70,000.
- There will be a one-time cost of \$5,000 for a rule making hearing and recurring expenditures of \$70,000 for the licensure of the additional applicants.
- Fees will be increased to cover the additional one-time expenditures for rule making as well as the additional expenditures for license application processing.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. As of June 30, 2009, the Board had a positive balance of \$88,057.79.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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